



May 21, 2020

Immediately Following the 6 p.m. City Council Meeting

Medford City Hall, Council Chambers

411 W. 8th Street, Medford, Oregon

The meeting was called to order at 7:35 p.m. in Council Chambers, City Hall, 411 W. 8th Street, Medford with the following members and staff present.

Chair Eric Stark; Board members Clay Bearnson, Kay Brooks (via phone), Tim D'Alessandro, Dick Gordon, Alex Poythress, Kevin Stine, Gary Wheeler and Michael Zarosinski; Executive Director Harry Weiss; City Manager Brian Sjothun; Deputy City Manager Kelly Madding; City Attorney Rick Whitlock; Deputy City Recorder Winnie Shepard

20. Approval or Correction of the Minutes of the April 16, 2020 Regular Meeting

There being no additions or corrections, the minutes were approved as presented.

30. Oral Requests and Communications from the Audience

None.

40. Consent calendar

None.

50. Items removed from consent calendar

None.

60. Public Hearings

None.

70. Resolutions

70.1 Resolution 2020-012

A resolution ratifying a Purchase and Sale Agreement in the amount of \$120,000.00 between Living Waters Rogue Valley, and the Medford Urban Renewal Agency to acquire the .39 acre parcel located at 325 East Jackson Street (Tax Lot 371W19CC5800), for the purposes of strategic infill development.

Executive Director Harry Weiss advised that this is the final step for the purchase of 325 East Jackson. The property was appraised at \$120k. MURA's standard procedure is to pay appraised value.

Motion: Adopt Resolution 2020-012.

Moved by: Kevin Stine

Seconded by: Dick Gordon

Roll Call: Board members Bearnson, Brooks, D'Alessandro, Gordon, Poythress, Stark, Stine, Wheeler, and Zarosinski voting yes.

Resolution 2020-012 was duly adopted.

70.2 Resolution 2020-013

A resolution authorizing a bridge loan line of credit not to exceed \$300,000 for Western Hospitality, LLC, for expenses in completing construction documents, site planning, and associated development entitlement documents for a Residence Inn hotel in downtown Medford.

Residence Inn site has been approved. Western Hospitality has spent approximately \$250k for design services to date.

Steve Reimer, Western Hospitality LLC provided background information on his business. He noted it is based in Colorado, owns and operates multiple hotels. Mr. Reimer outlined the details of the proposed Residence Inn for downtown Medford.

Mr. Weiss presented the schematics for the hotel and the benefits for new market tax credits and noted there is a limited time period to qualify for those credits. Western Hospitality is requesting a bridge loan to continue development of this project as COVID restrictions have impacted financing. The loan agreement provides for a 3.5% interest only, paid quarterly and due in full in 60 months (1800 days). The \$300k for this loan would still be considered part of the \$750k cap for BOLI wages even it is repaid.

Mr. Whitlock advised that it might be difficult to collect the \$300k from a limited liability company. This transaction is to afford this developer to move forward. The Board will have authorized \$300k as a cap. Our security will be held by a third-party and if the third-party is not fully paid, they will not release those documents and wouldn't be obligated to until that price was paid.

Mr. Weiss explained that Western Hospitality has incurred development expenses that MURA would typically pay and done so without a firm contract to buy the property.

Motion: Adopt Resolution 2020-013.

Moved by: Kevin Stine

Seconded by: Alex Poythress

Board member D'Alessandro noted that he served as the Vice Chair for Living Opportunities, but it would not impact him financially and he would vote on the motion.

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Board members Zarosinski and Poythress voiced concerns regarding protecting the public's money on this project with the current economic state.

Roll Call: Board members Bearnson, Brooks, D'Alessandro, Gordon, Poythress, Stark, Stine, Wheeler, and Zarosinski voting yes.

Resolution 2020-013 was duly adopted.

80. Board Business

80.1 Report from the Chair

None.

80.2 Appointment to the MURA Budget Committee

Board member Stine explained that appointing Felan would align the members for the MURA and City Budget Committees.

Motion: Appoint Ed Felan to the Medford Urban Renewal Agency Budget Committee, with a term beginning immediately and ending January 31, 2023.

Moved by: Kevin Stine

Seconded by: Tim D'Alessandro

Roll Call: Board members Bearnson, Brooks, D'Alessandro, Gordon, Poythress, Stark, Stine, Wheeler, and Zarosinski voting yes.

Motion carried and so ordered.

Board member Stine will work arrange interviews for other Boards and Commissions openings.

90. Director and other staff reports

Mr. Weiss provided updates on properties downtown. The tenant at the Central Avenue warehouse property has moved out. He requested direction on providing free storage for the ACCESS Food Bank and a short-term lease to Pallet Wine for storage for barrels.

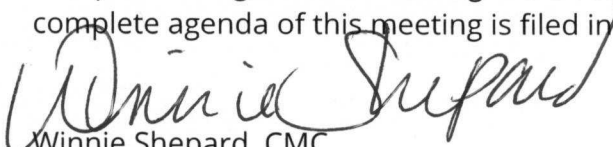
100. Propositions and remarks from the Board members

None.

110. Adjournment

There being no further business the meeting adjourned at 8:40 p.m.

The proceedings of the meeting were recorded and are filed in the City Recorder's Office. The complete agenda of this meeting is filed in the City Recorder's office.


Winnie Shepard, CMC
Deputy City Recorder

